



October 31, 2001

The Difference between Republicans and Democrats

On October 24, 2001, the House passed the Economic Security and Recovery Act (H.R. 3090), a Republican plan to provide economic stimulus for the lagging American economy in the wake of the terrorist attacks. Before the House passed the Republican stimulus plan, Rep. Charlie Rangel (D-NY) offered a Democrat substitute plan (H.AMDT. 380) which failed by a vote of 166-261.

REP. RANGEL: “I want to thank my Republican colleagues for fashioning a bill that really makes it so easy for people to distinguish the difference between Republicans and Democrats.” (*Congressional Record*, page H7278, 10/24/01)

Republican Stimulus Plan

(Passed by the House)

1. Saves taxpayers \$99.5 billion next year through tax cuts and repeals
2. Focuses on job retention and creation by lowering the costs of doing business
3. Reduces capital gains tax rates and simplifies rules for applying these taxes in order to spur capital formation
4. Repeals the corporate Alternative Minimum Tax (AMT) in order to reduce taxes on businesses and therefore to ease the cost of doing business
5. Avoids pork projects that would only directly benefit a few thousand people; focuses on tax cuts that will directly benefit millions of Americans

Democrat Stimulus Plan

(Rejected by the House)

1. Would have cost taxpayers \$90 billion by repealing the scheduled reduction of the 38.6% tax rate
2. Would have focused on increasing government pay-outs by expanding who qualifies for unemployment payments, providing an additional 26 weeks of unemployment payments, and increasing the amounts of the weekly payments
3. Would have left capital gains tax rates at their current levels
4. Would have left the corporate AMT intact
5. Would have relied on at least \$43 billion in infrastructure spending and other pork projects; would have avoided tax cuts altogether